

**UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH CAROLINA**

In re:)	
)	
Harold H. Pavilack,)	Case No 10-06503-jw
)	
)	Chapter 11
)	
Debtor.)	
)	
)	
)	

**OBJECTION OF UNITED STATES TRUSTEE TO DEBTOR'S APPLICATION TO
APPOINT WEBSTER ROGERS & COMPANY LLP AS DEBTOR'S TAX
ACCOUNTANT AND FOR THE PURPOSE OF TRACING THE AMOUNTS DUE
BETWEEN THE DEBTOR AND HIS VARIOUS ENTITIES**

The United States Trustee (UST) objects to the debtor's application (Application) to appoint Webster Rogers & Company LLP (WRC), specifically Laura M. DuRant, CPA, as the debtor's tax accountant and for the purpose of tracing the amounts due between the debtor and his various entities. This objection is filed pursuant to 28 U.S.C. Section 586 and 11 U.S.C. Section 307.

In support his objection, the U.S. Trustee contends as follows:

1. The UST has moved the Court for an order directing the appointment of a trustee. The hearing on the UST's motion is scheduled for the same date and time as the hearing on the Application. If the UST's motion is granted, the trustee should be given the opportunity to select the professionals to be employed by the trustee.
2. The Application was filed on October 14, 2010. The deadline for the debtor to file his 2009 income tax return was October 15, 2010, the last day of the extension he was granted by

Internal Revenue Service. The debtor's tax return filed on October 15 contained the caveat that the debtor's income and expenses could not be determined. It is unclear whether this inability to file a timely unqualified return was the result of the debtor's failures in supplying information to WRC, or the result of WRC's inattention to the matter.

3. One of the roles specified for WRC in the Application is tracing the amounts due between the debtor and his various entities. The UST contends that this is the role of the Examiner who has been appointed in the case. 11 U.S.C. § 1106(b).

4. It is unclear how the relationship between WRC and the debtor's accountant, Marty P. Ouzts, might influence their actions in this case. WRC serves as peer reviewer for Mr. Ouzts.

5. WRC has disclosed that it was paid \$5,500 by the debtor for pre-petition services on the date the involuntary chapter 7 case was filed against the debtor. It is unclear whether this payment constitutes a preference, and whether WRC will return the payment to the estate if it has no valid defense to a preference claim. It is also unclear whether the payment by the debtor was for work performed by WRC solely on the debtor's behalf or whether its services were also for the benefit of the debtor's various entities. WRC has failed to disclose the nature and extent of services provided to the debtor's various entities.

6. The Application notes the debtor's intention to employ WRSequence, LLC, as investment banker. WRC states that it is affiliated with WRSequence but does not provide the details of their relationship.

For these reasons, the United States Trustee requests that the court deny the debtor's Application to employ WRC.

W. CLARKSON MCDOW, JR.
UNITED STATES TRUSTEE

By: /s/ Joseph F. Buzhardt, III
Joseph F. Buzhardt, III
Assistant United States Trustee
Office of the United States Trustee
1835 Assembly Street, Suite 953
Columbia, South Carolina 29201
(803) 765-5220

October 27, 2010

CERTIFICATE OF SERVICE

Case No: 10-06503-jw

I, the undersigned, do hereby certify that on the 27th day of October, 2010, I served the below-named parties with copies of the following document:

**OBJECTION OF UNITED STATES TRUSTEE TO DEBTOR'S APPLICATION TO
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by mailing said copies to them by first-class, United States mail, postage prepaid, with return address clearly shown to said parties at the addresses shown below:

G. William McCarthy, Jr., Esquire
1715 Pickens St. (29201)
P. O. Box 11332
Columbia, South Carolina 29211-1332

Harold H. Pavilack
P. O. Box 2740
Myrtle Beach, South Carolina 29578

and/or by electronic transmission through the Court's Electronic Case Filing system to the following participants:

G. William McCarthy, Jr., Esquire

By: /s/ Joseph F. Buzhardt, III
Joseph F. Buzhardt, III
Assistant U. S. Trustee
Office of the United States Trustee
1835 Assembly St., Suite 953
Columbia, South Carolina 29201
(803) 765-5220

Date: October 27, 2010